

Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06
ACDA-07 AID-05 IGA-02 TRSE-00 OMB-01 EB-08 DHA-02
MC-02 /082 W

-----180125Z 078035 /13

R 170905Z MAR 77
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC 9865
INFO AMEMBASSY BANGKOK
AMEMBASSY KUALA LUMPUR
CINCPAC

C O N F I D E N T I A L JAKARTA 3433

E.O. 11652: GDS
TAGS: MASS, ID
SUBJECT: FUTURE OF GRANT MAP

REF: A. STATE 058073 B. JAKARTA 3313

1. SUMMARY. IN MARCH 17 MEETING WITH MINISTER OF DEFENSE PANGGABEAN, AMBASSADOR OUTLINED PROSPECTS FOR FUTURE GRANT MAP AS SET FORTH PARA 3 REFTEL A AND POINTED OUT THAT APRIL 12-14 WOLFF CODEL VISIT WOULD GIVE INDONESIANS OPPORTUNITY TO DISCUSS WITH CONGRESSMEN THEIR DEFENSE PROGRAM AND NEEDS. PANGGABEAN EXPRESSED APPRECIATION FOR ASSURANCES FROM AMBASSADOR AND FROM PRESIDENT CARTER IN RECENT MESSAGE TO PRESIDENT BUT EXPRESSED CONCERN THAT MISUNDERSTANDING OF COMMUNIST DETAINEE SITUATION AND UPCOMING FRASER SUB-COMMITTEE HEARINGS ON DUNN'S ALLEGATIONS WOULD LEAD TO UNFAVORABLE CONGRESSIONAL ACTION ON MILITARY AID. PANGGABEAN ALSO REFERRED TO AMBASSADOR UNDERHILL'S VIEWS ON PHILIPPINE BASES AS INDICATING LESSENED U.S. SECURITY INTEREST IN SOUTHEAST ASIA. AMBASSADOR NOTED GLOBAL NATURE OF GRANT CUT-OFF, EXPLAINED THAT WASHINGTON OFFICIALS HE HAD TALKED WITH DURING RECENT

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CONSULTATIONS HAD EXPRESSED UNDERSTANDING OF INDONESIAN HUMAN RIGHTS SITUATION AS WELL AS HOPE FOR EARLY PROGRESS TOWARD SOLUTION, POINTED OUT COUNTER-PRODUCTIVE NATURE OF ANY EFFORT TO PREVENT DUNN FROM PRESENTING HIS VIEWS BEFORE FRASER COMMITTEE, AND STRESSED THAT AMBASSADOR UNDERHILL'S REMARKS SHOULD BE PLACED IN INTERNAL STATE DEPARTMENT DIALOGUE RATHER THAN POLICY CONTEXT. END SUMMARY.

2. AMBASSADOR ACCOMPANIED BY ADCM AND CHIEF DLG CALLED ON DEFENSE MINISTER PANGGABEAN THIS MORNING (MARCH 17) TO EXPLAIN THAT GRANT AID WILL IN ALL LIKELIHOOD BE TERMINATED AFTER FY-1978 AND TO ASK THAT HE AND HIS STAFF RECEIVE CODEL WOLFF NEXT MONTH. PANGGABEAN, WHO WAS FLANKED BY COS FOR ADMIN AFFAIRS LT. GEN. HASNAN HABIB AND ASST. FOR GENERAL PLANNING MAJOR GEN YOGI SUPARDI, OPENED CONVERSATION BY EXPRESSING APPRECIATION OVER ASSURANCES CONTAINED IN PRESIDENT CARTER'S FEB 15 MESSAGE TO PRESIDENT SUHARTO, WHICH HE SAID LATTER HAD SHARED WITH HIM, AND OVER MY LETTER ANNOUNCING GRANT AND CREDIT LEVELS IN ADMINISTRATION'S FY 1978 REQUEST.

2. AMBASSADOR NOTED THAT ADMINISTRATION WILL SUPPORT VIGOROUSLY ITS FY 1978 MILITARY ASSISTANCE REQUEST BUT THAT NEITHER CONGRESSIONAL APPROVAL NOR GRANT MAP IN FUTURE YEARS BE TAKEN FOR GRANTED. HE EXPLAINED CONGRESSIONAL DESIRE FOR WORLD-WIDE CUT-OFF OF GRANT AID AT END OF FY-77 AND, IN LINE WITH PARA 3 REF A, EMPHASIZED THAT ADMINISTRATION'S REQUEST FOR SPECIFIC AUTHORIZATION TO CONTINUE IN FY 78 THAI AND INDONESIAN GRANT WAS INDICATIVE OF CONTINUING INTEREST IN SOUTHEAST ASIA. AMBASSADOR NOTED EXECUTIVE BRANCH MIGHT DEEM IT NECESSARY TO ANNOUNCE PUBLICLY TERMINATION OF GRANT MAP AFTER FY 78 FOR INDONESIA AND THAILAND, POSSIBLY IN ORDER MAKE CONDITIONS MORE FAVORABLE FOR APPROVAL OF FY 78 REQUEST. HE WANTED TO WARN GOI IN ORDER TO PROTECT AGAINST POSSIBLE SURPRISE.

3. PANGGABEAN REFERRED IN GENERAL TERMS TO INDONESIA'S SUB-CONFIDENTIAL

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STANTIAL DEFENSE NEEDS AND ITS HOPE FOR CONTINUED U.S. ASSISTANCE BUT INDICATED UNDERSTANDING OF GLOBAL NATURE OF GRANT CUT-OFF. HE EXPRESSED CONCERN THAT CUT-OFF MIGHT BE BASED ON HUMAN RIGHTS ISSUE AND CONGRESSIONAL FAILURE TO UNDERSTAND THAT COMMUNIST PRISONERS DETAINED WERE IN FACT RESPONSIBLE FOR COUP ATTEMPT AND RESULTING MURDERS.

4. AMBASSADOR REITERATED GLOBAL CONSIDERATIONS UNDERLYING GRANT CUT-OFF. HE THEN POINTED OUT THAT NEW ADMINISTRATION OFFICIALS CONCERNED WITH HUMAN RIGHTS AND MILITARY ASSISTANCE WITH WHOM HE HAD MET DURING RECENT CONSULTATIONS HAD SHOWN UNDERSTANDING OF BACKGROUND TO COMMUNIST DETAINEE PROBLEM, APPRECIATED WILLINGNESS OF INDONESIAN OFFICIALS TO DISCUSS THIS PROBLEM WITH US, AND HAD NOTED ANNOUNCED THREE-YEAR PROGRAM FOR RELEASE OF DETAINEES. WHILE THOSE CONCERNED WITH HUMAN RIGHTS UNDERSTAND PROBLEM, AMBASSADOR STRESSED NEED OVER LONGER TERM TO ASSURE THAT DETAINEES WERE GIVEN OPPORTUNITY TO ANSWER CHARGES AGAINST THEM AND THEY HAVE RELATIVE FREEDOM OF MOVEMENT WHEN RE-

LEASED.

5. WHEN PANGGABEAN EXPRESSED CONCERN OVER EFFECT OF DUNN'S TESTIMONY BEFORE FRASER SUB-COMMITTEE, AMBASSADOR POINTED OUT ADVERSE EFFECTS WHICH WOULD FOLLOW FROM ANY EFFORT TO PREVENT HIM FROM TESTIFYING. AMBASSADOR OUTLINED IN VERY GENERAL TERMS EMBASSY VIEW THAT SOME EXCESSES HAD BEEN COMMITTED BY BOTH SIDES IN EARLY DAYS OF FIGHTING BUT THAT INDONESIAN UNITS INVOLVED HAD BEEN DISCIPLINED. PANGGABEAN NOTED THAT AMBASSADOR RUSMIN HAD BRIEFED HIM ON HIS CONVERSATION WITH AMBASSADOR. AMBASSADOR ASSURED HIM USG WOULD ATTEMPT BE HELPFUL. (STATE 59033 HAD NOT YET BEEN RECEIVED).

6. PANGGABEAN THEN RAISED PRESS REPORTS OF AMBASSADOR UNDERHILL'S VIEWS ON PHILIPPINE BASES, WHICH HE THOUGHT UNDERVALUED U.S. SECURITY INTERESTS IN THE AREA AND UNDERESTIMATED CURRENT THREAT. PANGGABEAN THEN DIGRESSED TO EXPLAIN CONCLUSIONS HE HAD DRAWN ON CONFIDENTIAL

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SECURITY SITUATION FROM RECENT VISITS TO KUALA LUMPUR AND BANGKOK. THAILAND, HE SAID, WAS BESET WITH 10,000 INSURGENTS NOT ONLY ON NORTHERN AND SOUTHERN PERIPHERIES, BUT IN INTERIOR AS WELL. MALAYSIANS NEEDED, HE ADDED, TO BE GIVEN LARGER ZONE OF OPERATIONS IN SOUTHERN THAILAND IN ORDER TO RELIEVE PRESSURES ON THAIS. HE SPOKE IN VAGUE TERMS OF NEED FOR TRI-PARTITE COOPERATION IN DEFENSE STRATEGY AND OF ADAPTABILITY OF INDONESIAN MILITARY DOCTRINE TO POSSIBLE SUPPORTING ROLE ON KRA ISTHMUS. AMBASSADOR NOTED THAT AMBASSADOR UNDERHILL'S REMARKS HAD BEEN MADE IN CONTEXT EXTENSIVE DIALOGUE IN WHICH ALL AMBASSADORS IN REGION PRESENTED THEIR VIEWS, SOME OF WHICH WERE INTENTIONALLY PROVOCATIVE. ADMINISTRATION POLICY TOWARD SOUTHEAST ASIA, THE AMBASSADOR POINTED OUT, WAS AS SET FORTH IN PRESIDENT CARTER'S MESSAGE TO SUHARTO. WHEN PANGGABEAN RAISED SUBJECT, AMBASSADOR DESCRIBED BRIEFLY THE MISSION OF CURRENT U.S. DELEGATION IN HANOI.

6. IN DISCUSSING ITEMS OF EQUIPMENT INDONESIA WISHED TO INCLUDE UNDER FY78 MAP, AMBASSADOR POINTED OUT THAT DURING RECENT VISIT TO WASHINGTON HE HAD NOT DETECTED OBJECTIONS TO F-5E AND TRAINER AIRCRAFT BUT THAT M-16 RIFLE PRODUCTION FACILITY MIGHT RAISE CONCERNS OVER ARMS PROLIFERATION IF IT COULD NOT ALSO BE USED IN EVENTUAL PRODUCTION OF NON-MILITARY ITEMS. AMBASSADOR CAUTIONED, HOWEVER, THAT ADMINISTRATION'S ARMS POLICY WAS CURRENTLY UNDER STUDY AND THAT GOI SHOULD AWAIT RESULTS OF THIS REVIEW. AMBASSADOR ASSURED PANGGABEAN THAT GOI REQUEST FOR BETTER FMS CREDIT TERMS WAS BEING GIVEN CAREFUL CONSIDERATION.

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Message Attributes

Automatic Decaptioning: X
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Enclosure: n/a
Executive Order: GS
Errors: N/A
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Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3082266
Secure: OPEN
Status: NATIVE
Subject: FUTURE OF GRANT MAP
TAGS: MASS, ID
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/64ac09b7-c288-dd11-92da-001cc4696bcc
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